



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

Senate: HHS DP 4-3-0-0 | 3rd Read 18-11-1-0

House: HHS DPA 5-4-0-0

SB 1603: hospital; price transparency

Sponsor: Senator Shamp, LD 29

House Engrossed

Overview

Directs the Arizona Department of Health Services (DHS) to annually verify each hospital's compliance with federal hospital price transparency regulations with the Centers for Medicare & Medicaid Services (CMS).

History

[45 C.F.R. Part 180](#) requires hospitals operating within the U.S. to annually establish, update and make public a list of the hospital's standard charges for items and services provided by the hospital, including for diagnosis-related groups (DRGs). CMS assesses whether a hospital has complied with these requirements. Methods used to monitor and evaluate hospital compliance with these regulations include but are not limited to the following: 1) evaluation of complaints made by individuals or entities to CMS; 2) CMS review of individuals' or entities' analysis of noncompliance; and 3) CMS audit of hospitals' websites.

If CMS concludes that the hospital is noncompliant with one or more requirements it may take any of the following actions: 1) provide a written warning notice to the hospital of the specific violations; 2) request a corrective action plan from the hospital if its noncompliance constitutes a material violation of one or more requirements; and 3) impose a civil monetary penalty on the hospital and publicize the penalty on CMS's website if the hospital fails to respond to its request to submit a corrective action plan or comply with the requirements of a corrective action plan.

Additionally, health care facilities with more than 50 inpatient beds must make available on request or online the direct pay price for at least the 50 most used DRG codes and outpatient service codes, if applicable. For health care facilities with 50 or fewer inpatient beds, they must make available on request or online the direct pay price for at least the 35 most used DRG codes and outpatient services codes, if applicable. The Arizona State Hospital (ASH), Indian Health Service hospitals and facilities are excluded from these requirements ([A.R.S. § 36-437](#)).

Provisions

1. Directs hospitals to comply with federal hospital price transparency regulations. (Sec. 1)
2. Requires DHS to annually verify, with CMS, each hospital's compliance with the federal hospital price transparency regulations. (Sec. 1)
2. Requires, by January 1, 2025, and annually thereafter, DHS to post a report on its public website containing the name of any hospital that has been found to be noncompliant with the federal hospital transparency regulations and has been assessed a civil monetary penalty by CMS. (Sec. 1)
3. Exempts ASH from the federal hospital price transparency regulations. (Sec. 1)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note

4. Makes technical and conforming changes. (Sec. 1, 2)